

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

No. 1:10-cv-05760-SAS

SAMUEL E. WYLY and DONALD R. MILLER,
JR., in his capacity as the Independent Executor of
the Will and Estate of Charles J. Wyly, Jr.,

Defendants.

**NOTICE OF PLAINTIFF SECURITIES AND EXCHANGE COMMISSION'S
RECALCULATIONS OF PRE-JUDGMENT INTEREST ON ILL-GOTTEN GAINS**

Plaintiff Securities and Exchange Commission ("SEC") submits the results of its recalculations of pre-judgment interest on the ill-gotten gains of Sam and Charles Wyly, and subject to disgorgement by Order of this Court.

The Court recently determined that Sam Wyly must disgorge \$123,836,958.76 and Charles Wyly must disgorge \$63,396,733.97.¹

The Court declined to adopt the SEC's application of the Internal Revenue Service ("IRS") underpayment rate. Instead, the Court ordered that prejudgment interest is to be calculated at the lower of the average London Interbank Offered Rate ("LIBOR") or the IRS underpayment rate for each year, and that pre-judgment interest is to be applied for the entire period of the Wylys' fraud through December 1, 2014.² Pursuant to the Court's direction that the SEC recalculate the amount of pre-judgment interest by October 17,³ the SEC submits the

¹ ECF Nos. 476 (Opinion and Order) and 481 (Corrected Opinion and Order) at 80.

² *Id.* at 77 and 80.

³ *Id.* at 80.

results of its recalculations performed by Dr. Eugene Canjels,⁴ Ph.D., for the Court's review and consideration.

When the recalculated amounts of pre-judgment interest are applied to the disgorgement amounts determined by this Court, the results are as follows:

<u>Defendant</u>	<u>Ill-Gotten Gains</u>	<u>Pre-Judgment Interest</u>	<u>Total</u>
Sam Wyly	\$123,836,959.02	\$ 74,281,866.14	\$198,118,825.16
<u>Charles Wyly</u>	<u>\$ 63,396,733.98</u>	<u>\$ 37,841,684.66</u>	<u>\$101,238,418.64</u>
Total	\$187,233,693.00	\$ 112,123,550.80	\$ 299,357,243.80

Dated: October 17, 2014.

Respectfully submitted,

/s/ Gregory N. Miller

Gregory N. Miller (GM-5922)

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⁴ Dr. Canjels is a Supervisory Financial Economist in the SEC's Division of Economic and Risk Analysis. PJI Ex. 1 (Canjels Decl).

CERTIFICATE OF SERVICE

I hereby certify that, on this 17th day of October 2014, electronic copies of the Notice of Plaintiff Securities and Exchange Commission's Recalculations of Pre-Judgment Interest On Ill-Gotten Gains were served on the following parties via electronic mail:

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